



City of Rockville, Maryland

Investment Procedures Manual

August 2006

CITY OF ROCKVILLE INVESTMENT PROCEDURES MANUAL

I. PURPOSE

The purpose of the Investment Procedures Manual is to assist Finance staff with investment operations.

References at the beginning of each section refer to elements in the City's Statement of Investment Policy.

II. CASH REVIEW

Investment Policy Elements: Section I - Policy, Section II - Scope, Section V - Delegation of Authority

The Finance Director or his/her designee referred to as Investment Officer or Accounting Manager must review the cash balances and investment portfolio weekly, or as needed. The overall City cash flow model is prepared and reviewed by the Investment Officer to determine balances available for investment. Items to be reviewed should include:

- 1) Balance of the City of Rockville's Sweep Account.
- 2) Balance of the City of Rockville's Concentration Account.
- 3) Maturing Investments (includes all investments).
- 4) Large incoming wires from the State, County and other miscellaneous agencies.
- 5) Large outgoing wires such as debt service payments and routine wires.
- 6) Accounts payable and payroll disbursements.
- 7) Large Capital Improvements Program (CIP) project payments.

III. INVESTMENT TRANSACTIONS – MONEY MARKET

Investment Policy Elements: Section V - Delegation of Authority and Section XIV - Internal Controls

Funds can be wired to and from the City's overnight money market fund to the City's concentration account to meet immediate cash flow needs or when it is determined that excess cash is available. EXHIBIT 6 is the form that is required for the transaction to take place. The form should be dated when the wire is to take place, reflect the accounts that are to be debited and credited, contain the signature of the person initiating the transaction, and be approved by the Investment Officer or designee. The fax confirmation along with the bank confirmation should be filed together.

IV. INVESTMENT SELECTION - SECURITIES

Investment Policy Elements: Section III - Prudence, Section IV - Investment Objectives, Section VI - State Law, Section X - Authorized Investment Instruments, Section XI - Diversification, and Section XII - Maximum Maturities

The Investment Officer or Accounting Manager determines how much of the cash balance is available for investment and selects the area of the yield curve that most closely matches the required maturity date based on cash flow needs.

In determining the maturity date, the Investment Officer or Accounting Manager should consider liquidity, cash flow and expected expenditures. A review of some of the following sources should determine whether the investments should be placed to match projected expenditures or shorter, or take advantage of the current interest rate environment.

- 1) Review daily business publications and commentaries from financial institutions and brokers.
- 2) Read publications, Wall Street Journal and watch media for general trends of economic interests.
- 3) Input from broker/dealers on the City's authorized list.

V. AUTHORIZED FINANCIAL INSTITUTIONS

Investment Policy Elements: Section VII - Authorized Financial Dealers and Institutions, Section VIII - Authorized Public Depositories

Broker/dealers are selected through a "Request for Information" (RFI) process. RFI responses contain the following information:

- 1) Financial condition of the institution.
- 2) Institution's strength and capability to fulfill commitments.
- 3) Institution's overall reputation with other investors.
- 4) Regulatory status of the institution (all providers).
- 5) Background and expertise of the representatives assigned to the City's account.

Please see EXHIBIT 7 for a sample of the City's RFI for broker/dealer services.

The Investment Officer is responsible for selecting the financial institutions that transact business with the City. The City has a formal process in place for the selection of financial institutions and broker/dealers. Every three to five years the City will distribute a broker/dealer RFI to interested and known financial institutions and broker/dealers. All financial institutions and broker/dealers who desire to provide investment services must participate in this formal process. To be considered, the financial institution or broker/dealer shall submit a completed RFI, proof of National Association of Security Dealers certification, license to conduct business in the state of Maryland, audited financial statements and certification of having read the City of Rockville's Statement of Investment Policy.

Based on the RFI responses, the Investment Officer will select the financial institutions that are qualified to provide investment services to the City of Rockville. The list may include primary or

regional dealers that are credit worthy and qualify under the uniform net capital rule of the Securities & Exchange Commission Rule 15C3-1.

Qualified financial institutions selected to do business with the City shall submit audited financial statements on an annual basis. These institutions are also required to complete EXHIBIT 8, the City's Broker/Dealer Certification Form at least once per year.

VI. PURCHASING AN INVESTMENT

Investment Policy Elements: Section X - Authorized Investment Instruments, Section XI - Diversification, Section XII - Maximum Maturities, Section XV - Collateralization, Section XVI - Safekeeping and Custody, and Section XVII - Competitive Procurement

When requesting offers from brokers/dealers for securities, the Investment Officer shall be as specific as possible. It should be stated in the request if a particular type or issuer of an investment is to be excluded due to policy limitations. If collateral is required (i.e. for Repo's or CD's) the collateral requirements (excess margin, types of securities, maximum maturity, etc.) should be specified. The City may invest in repurchase agreements provided it has a signed master repurchase contract, which specifies terms and conditions of repurchase agreements. Please see EXHIBIT 1 for an example of a Request for Bid Form.

The following must be determined prior to contacting the providers:

- 1) Settlement - cash, regular (next day), corporate (3 business days) or when-issued if it is a new issue.
- 2) Amount - either par value or total dollars to be invested.
- 3) Type of security to be purchased, or type to be excluded.
- 4) Targeted maturity, or maturity range.
- 5) Time limit to show offering - 5 minutes, 15 minutes, or a specified time.

Before concluding the transaction, the Investment Officer should validate the following:

- 1) The security selected for purchase meets all criteria, including portfolio diversification, collateralization (if appropriate) and maturity. If the security has any imbedded options such as call provisions or coupon adjustments, these should also be reviewed.
- 2) Utilize the Bid Comparison Form, EXHIBIT 2, to analyze yields, maturity dates, security type, settlement date, and gross profit.
- 3) Total purchase cost (including accrued interest) does not exceed funds available for investment.
- 4) Once the selection of the security is made by the Investment Officer, advise the successful provider that their offering has been selected for purchase (please see EXHIBIT 3).
- 5) After confirmation of the purchase, notify the other broker/dealers that an investment was purchased. Best price may be disclosed if requested.

After consummation of the transaction, and prior to settlement date, the Investment Officer and the provider should exchange and review the following information to ensure prompt and uninterrupted settlement.

- 1) Reconfirm amounts of transaction (total cost including principal and accrued interest).
- 2) Reconfirm settlement date.
- 3) Acquire CUSIP number of security, if applicable.
- 4) Obtain copy of the "Yield Analysis" screen and the "Trade Ticket" screen from Bloomberg.

All qualified broker/dealers have the City's delivery instructions, which consists of the following:

- 1) Name of third-party safekeeping agent.
- 2) ABA number of safekeeping agent.
- 3) Safekeeping account number.

VII. SETTLEMENT AND FOLLOW-THROUGH

Investment Policy Elements: Section V - Delegation of Authority and Section XIV - Internal Controls

The Investment Officer should fax the safekeeping agent detailed information on the purchased security consisting of:

- 1) Type of security.
- 2) Par amount, government equivalent yield, and maturity date.
- 3) Name of broker/dealer of the investment transaction.
- 4) Signature of the Investment Officer.
- 5) Copy of the Bloomberg Trade Ticket (includes CUSIP, coupon rate, and total price including accrued interest).

Please see EXHIBITS 4 and 5 for samples of the fax form and trade ticket.

A phone call is also made to the safekeeping agent to inform of purchase and confirm receipt of fax. When applicable the following should be verified:

- 1) Provision of receipt or disbursement of funds.
- 2) Internal transfer or wiring of funds.
- 3) Written validation (a faxed transaction report) from safekeeping agent.
- 4) Notification of discrepancy prior to acceptance or rejection of the transaction.
- 5) Immediate notification if a fail has occurred: by provider if they are responsible, by safekeeping agent if they are responsible.
- 6) Investment Officer ensures that all verbal and written (fax) verifications have been forwarded and received and follows through with applicable parties to ensure that transaction was successfully executed.
- 7) Investment Officer or designee compiles the bids, faxes, confirmations received from the broker/dealer and files each security by maturity date of the security.
- 8) Only the Investment Officer is authorized to execute trades on behalf of the City.
- 9) All executed trades need to be approved and signed by the Investment Officer.

VIII. INVESTMENT STRATEGY AND PERFORMANCE STANDARDS

Investment Policy Elements: Section V - Delegation of Authority, Section XVIII - Performance Standards, and Section XIX - Reporting Requirements

The City's implements a passive buy and hold strategy (as opposed to an active strategy of buy and sell). The structure of the portfolio (barbell, ladder, bullet) will vary depending on current market conditions. The structure of the portfolio will always take into consideration the cash flow needs of the City. The Investment Officer will determine whether market yields are being achieved by comparing the yield and days to maturity of the City's portfolio to a performance benchmark. The City's Statement of Investment Policy describes the performance benchmark.

IX. FORMS

The attached forms are to be used to ensure the procedures are followed:

- Exhibit 1: Request for Bid Form
- Exhibit 2: Bid Comparison Form
- Exhibit 3: Fax Executing Trade to Broker/Dealer
- Exhibit 4: Fax to SunTrust for Settlement
- Exhibit 5: Trade Ticket from Broker/Dealer
- Exhibit 6: Money Market Wire Transfer Approval Form
- Exhibit 7: Request for Information (RFI)
- Exhibit 8: Annual Certification Form

City of Rockville, Maryland

**EXHIBIT 1
REQUEST FOR
BID FORM**

Investment of Funds

WHAT WE'RE LOOKING FOR:

Maturity Date: **On or before January 31, 2007**

Preferred Settlement Date: **July 14, 2006**

Par Amount: **\$6,000,000**

U.S. Federal Agencies only (callables okay)

MAXIMUM NUMBER OF BIDS PER BROKER = 2

PLEASE PROVIDE:

- 1) **Maturity Date**
- 2) **Settlement Date**
- 3) **U.S. Government Equiv Yield**
- 4) **Security Type**

Please email Bloomberg Yield Analysis screen shot (with correct par amount entered) to Stacey Tate at state@rockvillemd.gov by 10:30am ET tomorrow, **July 13, 2006**.

City of Rockville, Maryland

Investment of Funds

Original Bids

\$6,000,000

	Morgan Keegan	H&R 2	H&R 1	RBC	Vining Sparks
Maturity Date	01/15/07	01/26/07	01/10/07	01/26/07	01/26/07
Yield	5.59%	5.54%	5.55%	5.56%	5.57%
Security Type	FNMA	FNMA	FNMA	FNMA	FNMA
Settlement Date	07/14/06	07/14/06	07/14/06	07/14/06	07/14/06
Gross Profit	172,301	172,284	158,700	178,724	178,938

EXHIBIT 2
BID COMPARISON
FORM

City of Rockville, Maryland

TO: Nathan Coppedge
Vining Sparks
Fax: (901) 762-5316

EXHIBIT 3
FAX EXECUTING TRADE
TO BROKER

FROM: Stacey Tate for Gavin Cohen
Phone: (240) 314-8407
Fax: (240) 314-8137

DATE: July 13, 2006

SUBJECT: Acceptance of Offer of Security

As we discussed, we are accepting your offer for the following security for settlement on 7/14/06:

Maturity Date	Type	Yield (U.S. Gov't Bond Equivalent) YTM	Par Amount
1/26/2007	FNMA	5.57%	\$6,000,000

Below are the settlement instructions for the custodian, SunTrust Bank.

Mayor and Council of Rockville
Attn: Gavin Cohen, Director of Finance
111 Maryland Avenue
Rockville, Maryland 20850

Tax ID Number: 52-6001573

ABA Number: 061 000 104

Short Name: SunTrust ATL/Trust

Third Party: 1050

DTC #: 2971

SunTrust Bank: City of Rockville Account # 7024768

SunTrust Bank Agent I.D. 94529

Institutional I.D. 57672

City's Account Manager: Ruth Mahoney
Phone: (202) 879-6263

Authorized by:

Gavin Cohen

Date

City of Rockville, Maryland

TO: Ruth Mahoney
SunTrust Bank
Fax: (202) 879-6333

EXHIBIT 4
**FAX TO SUNTRUST
FOR SETTLEMENT**

FROM: Stacey Tate for Gavin Cohen
(240) 314-8407

DATE: July 13, 2006

SUBJECT: Security Purchase

The City of Rockville has purchased the following security for settlement on 7/14/06 from Vining Sparks:

Maturity Date	Type	Yield (U.S. Gov't Bond Equivalent) YTM	Par Amount
1/26/2007	FNMA	5.57%	\$6,000,000

Included with this fax is the trade ticket.

SunTrust Bank: City of Rockville Account # 7024768

Authorized by:

Gavin Cohen

Date

EXHIBIT 5**TRADE
TICKET**

BXT

P198 Corp **BXT**

Enter <1><GO> to send screen via <MESSAGE> System.

7/13/2006 11:24

TRADE TICKETAS OF: **7/13/06**

ISIN US3136F54B40

3136F54B4

DATED 7/26/04

TRADER	STACEY TATE
At	CITY OF ROCKVILLE

BUY **6000** **M** OF FNMA 3.31 01/26/07

MIN PIECE= 1000 INCREMENT= 1000 * FANNIE MAE *

PRICE **98.827** YIELD **5.569949** to Worst **1/26/07 100**

(98.8270000)

SETTLEMENT ON **7/14/06**

Ratings: Moody's: Aaa S&P: AAA FI: AAA Comp: AAA

SEDOL **B020K74**NOTES: **THANK YOU**

(3136F54B Corp DES<GO>)

VIEW AMOUNTS IN **USD** @ **1.000000000**(US /US) INVERT? ☐ Highlights off? **N****TRADE NUMBERS**

PRINCIPAL	\$	5,929,620.00
ACCRUED (168 DAYS)		92,680.00
TOTAL	\$	6,022,300.00

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410
Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2006 Bloomberg L.P.
6616-1051-0 13-Jul-06 11:25:24

Bloomberg
BLOOMBERG

City of Rockville, Maryland

TO: Ruth Mahoney
SunTrust Bank
Fax: (202) 879-6333

EXHIBIT 6
FAX TO SUNTRUST
FOR WIRE TRANSFER

FROM: Jen Frank
(240) 314-8413

DATE: July 13, 2006

SUBJECT: Wire Transfer of Investment Funds

Transfer \$5,000,000 from the City of Rockville's Investment Account to the City's Concentration Account

Transfer From Account	Transfer To Account	Wire Amount
70-06-302-7024768	209071125	\$5,000,000

SunTrust Bank: City of Rockville Account # 7024768

Authorized by:

Gavin Cohen

Date

CITY OF ROCKVILLE

EXHIBIT 7
REQUEST FOR
INFORMATION

**BROKER/DEALER
INVESTMENT SERVICES
REQUEST FOR INFORMATION**

2005



PREPARED BY THE CITY FINANCE DEPARTMENT

Gavin Cohen
Director of Finance

CANDIDATE:

City of Rockville

2005 Broker-Dealer RFI

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SECTION I: INTRODUCTION

The City of Rockville, (City) is currently seeking information from Investment Firms (Firms) interested in providing investment services and products to the City. The purpose of this solicitation is to establish an eligibility list of qualified Firms who will be authorized to provide investment services and sell investment securities to the City. Firms shall be selected by the City Council in accordance with the City's Investment Policy based on a number of factors which are further described below.

Selection does not constitute any type of guarantee that the City will purchase any securities from any particular qualified firm. Interested firms shall limit contact to the Director of Finance. Any direct contact with elected officials or other attempts to influence this process are basis for disqualification.

The City will update the list of firms authorized to do business with the City annually. Interested Firms not yet qualified may submit information for consideration through this process. The City will not transact business with any Firms not pre-qualified through this process. The City shall not transact business with an authorized Broker-Dealer until all of the documentation that both parties require, has been executed and delivered.

The City will notify all Broker-Dealer candidates, in writing, on whether their request for being an authorized City vendor has been approved or denied. If a candidate's request is denied or if its RFI is rejected for being incomplete or late, then that candidate shall not be eligible to reapply for three years.

Interested Firms shall be eligible for consideration as authorized providers of financial services to the City only if they:

- 1. Have a net capital position in excess of \$10 million;**
- 2. Have been in business for more than five years;**
- 3. Are qualified under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);**
- 4. Are headquartered or have a branch office in the State of Maryland;**
- 5. Must carry adequate insurance coverage, including liability, errors and omissions, and workers' compensation (if applicable), and**
- 6. Member of National Association of Dealers (NASD).**

The City of Rockville is a local governmental agency that operates under the laws of the State of Maryland. The City has a portfolio of approximately \$40 million, primarily which is currently invested in money market liquid assets. The City's Investment philosophy is conservative, emphasizing prudent management of the excess funds, most of which are programmed for current or future capital projects.

A copy of the City's adopted investment policy is attached hereto as reference.

SECTION II: ADMINISTRATIVE PROCEDURES

SCHEDULE OF RFI PROCESS

Issue Request	October 2005
Responses due	November 25, 2005
Selection of Qualified Firms	December 2005
City Council Approval	January/February 2006

PREPARATION GUIDELINES

Submittals shall be prepared simply and economically avoiding the use of elaborate promotional materials beyond those sufficient to provide a complete, accurate and reliable presentation. Please follow the format and guidelines presented in Section III.

SUBMISSION PROCEDURES AND DEADLINE

Interested parties must submit all required documents to:

City of Rockville, Finance Department
Attention: Gavin Cohen, Director of Finance
111 Maryland Avenue
Rockville, MD 20850

gcohen@rockvillemd.gov

APPLICATION DEADLINE

All proposals must be delivered to the above offices on or before 5:00pm PDT on November 25, 2005. **Proposals received after the above date and time will not be considered.**

RIGHT OF REJECTION BY CITY OF ROCKVILLE

Notwithstanding any other provisions of this Request for Information, the City of Rockville reserves the right to limit the number of firms authorized to do business with the City, regardless of the qualifications of any particular firm. For instance, although every primary dealer applying may be highly qualified to provide investment services, the City intends to limit authorized primary dealers to one firm. The primary firm judged best qualified based on the criteria described herein will be selected and recommended to the City Council for approval. The decision of City Council is final.

QUESTIONS RELATED TO THIS REQUEST FOR INFORMATION

In order to avoid any potential conflicts, and to minimize the burden on City staff, the City requires that all questions relating to this RFI be directed to Gavin Cohen, Director of Finance, at (240) 314-8402. **Any proposers found to be soliciting other members of City staff or officials during this RFI process will be disqualified from any further consideration. Subsequent discovery of unauthorized solicitation may be grounds for cancellation of the existing contract, at the sole discretion of the City.**

SECTION III: SUBMITTAL OF GENERAL INFORMATION FROM BROKER-DEALER CANDIDATE

1. Please provide a general description of your organization, date founded, ownership, and business affiliations. Provide a list of all firm personnel who will service this account, with a brief description of their background, education, length of service and their role in servicing the City of Rockville.
2. Who will act as the primary contact/sales representative of the Firm? Provide complete biographical information on this individual, including professional background, number of years in the industry, number of years with the firm, and experience serving municipal clients, particularly in Maryland.
3. Please list the personnel who are referenced in Question 2 who have read the City's Investment Policy as adopted in September 2005?
4. Please provide information on the history, details, and status or disposition of any disciplinary actions or complaints, arbitration, or litigation involving the above listed personnel.
5. What professional organizations do the sales representative and the Firm belong to? Describe your Firm's commitment to the industry, focusing specifically on the Firm's commitment to continuing education, and your record of service to recognized professional organizations such as MGFOA. Pay particular attention to the Firm's familiarity with and knowledge of Maryland State Statutes.
6. Please provide a complete listing of Maryland public sector clients that have established relationships (more than one year) with the sales representative who are listed in Question 2. Indicate: (a) name of governmental agency; (b) contact person; (c) address; (d) telephone number, and (e) length of relationship.
7. What percentage of the sales representative's Book is direct service to municipal accounts? What percentage of those clients are Maryland municipalities?
8. Is your firm: (*check one*)
☐ A Dealer ☐ A Broker ☐ A Broker/Dealer
9. Does your firm regularly report to the Market Reports Division of the Federal Reserve Bank of New York as a "primary dealer"? (*check one*)
☐ Yes ☐ No

If yes, how long has your firm been a primary dealer?

City of Rockville

2005 Broker-Dealer RFI

Page 4 of 7

10. Please answer the following questions. For each yes answer, please provide any/all information that will allow the City to verify.
- a. Does your firm have a net capital position in excess of \$10 million? (*check one*)
☐ Yes ☐ No
 - b. Has your firm been in existence for more than five years? (*check one*)
☐ Yes ☐ No
 - c. Is your firm qualified under SEC Commission Rule 15C3-1 (Uniform Net Capital Rule)? (*check one*)
☐ Yes ☐ No
 - d. Is your firm headquartered or does it have a branch office in Maryland? (*check one*)
☐ Yes ☐ No
 - e. Does your firm carry adequate insurance coverage including liability, errors and omissions and workers' compensation? (*check one*)
☐ Yes ☐ No
11. Is your firm a member of the National Association of Securities Dealers? (*Check one*)
☐ Yes ☐ No If "no", provide explanation.
12. Which of the following entities has the authority to oversee the operation of your firm, in terms of examinations, rules, and regulations? (*Check appropriate choices*)
- ☐ FDIC ☐ SEC ☐ NYSE
 - ☐ Comptroller of Currency ☐ Federal Reserve System
 - ☐ Other (example: state regulatory agency) (*specify*) Multistate firms please note: It is not necessary to include regulatory agencies that do not have jurisdiction over your firm's activities in Maryland.
13. Is your firm owned by a holding company? (*check one*)
☐ Yes ☐ No
- If "yes", what is the holding company's name and its net capitalization?
14. Has your firm consistently complied with the Federal Reserve Bank's capital adequacy guidelines? (*check one*)
☐ Yes ☐ No If "no", please explain.

City of Rockville

2005 Broker-Dealer RFI

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15. What was your firm's total volume in United States Treasury and Agency securities trading last year?
Firm Wide: \$ # of Transactions:
Your Office: \$ # of Transactions:
16. Which of the following instruments are regularly offered by your Firm's trading desk? (*Check appropriate choices*)
- | | |
|--|--|
| <input type="checkbox"/> T-Bills | <input type="checkbox"/> Banker's Acceptances (Domestic) |
| <input type="checkbox"/> T-Notes | <input type="checkbox"/> Banker's Acceptances (Foreign) |
| <input type="checkbox"/> T-Strips | <input type="checkbox"/> Certificates of Deposit |
| <input type="checkbox"/> Commercial Paper | <input type="checkbox"/> Corporate Medium-Term Notes |
| <input type="checkbox"/> Agencies (<i>specify</i>) | <input type="checkbox"/> Money Market Mutual Funds |
17. Which of the financial instruments that are described in Question 16 does your firm specialize in marketing?
18. Is your firm a member of the Securities Investor Protection Corporation ("SIPC")?
(*check one*) ☐ Yes ☐ No
- If "no" does your firm participate in any program that provides securities insurance coverage for a public sector clients? Please provide complete information on all of your insurance coverages relating to this contract, including liability, errors and omissions, and workers' compensation etc.
19. What trade documentation (e.g., transaction information, confirmations, statements, etc.) would your firm provide to the City?
20. What services do you provide to your municipal clients, in addition to the execution and processing of securities trades? What types and level of service distinguish your Firm from its competitors? What advantage would the City gain by trading with your firm?
21. Describe your approach to client service and your philosophy regarding the investment of public funds. State specifically how you intend to service the City of Rockville's account, and how that approach will benefit the City.
22. How do you set prices for the sale of securities? Are you willing to disclose the commissions earned on the trades actually executed with the City? Do you allow verification of this information by outside auditors?

SECTION IV: REQUEST FOR BROKER-DEALER CANDIDATE DISCLOSURE

23. Have any of your firm's public sector clients sustained a loss on a securities transaction within the last five years, arising from a misunderstanding or misrepresentation of the risk characteristics of a financial instrument that was recommended by and purchased through your firm? (*check one*)
- ☐ Yes ☐ No If "yes", please describe each matter briefly.
24. Have any of your firm's public sector clients claimed, in writing, within the last five years, that your firm was responsible for any investment losses? (*Check one*)
- ☐ Yes ☐ No If "yes", please describe each matter briefly.
25. Has your firm been subject to any litigation, arbitration, or regulatory proceedings, either pending, adjudicated, or settled, within the last five years, that involved allegations of improper, fraudulent, disreputable or unfair activities related to the sale of securities to or the purchase of securities from institutional clients? (*Check one*)
- ☐ Yes ☐ No If "yes", please describe each matter briefly.
26. Has your firm been subject to a regulatory, state, or federal agency investigation, within the last five years, for alleged improper, fraudulent, disreputable, or unfair activities related to the purchase or sale of securities? (*Check one*)
- ☐ Yes ☐ No If "yes", please describe each matter briefly.

V: EVALUATION AND AWARD CRITERIA

This RFI seeks qualified providers of investment services. Selection will be made of a limited number of the most highly qualified and best suited among the proposing Firms on the basis of the evaluation factors listed below:

- Understanding of the needs and operational requirements of the City of Rockville
- The experience, resources, and qualifications of the Firm and the individuals assigned to this account.
- Amount and quality of relevant experience managing similar relationships with public sector clients
- Familiarity and knowledge of Maryland State Statutes and Investment Regulations
- Scope and quality of additional services provided to the City
- Demonstration of commitment to the Industry including continuing education and service to professional organizations
- Financial strength, financial controls and adequacy of insurance coverage
- Quality and conciseness of proposals

SECTION VI: CERTIFICATION

We hereby certify that we have read and that we understand the investment policies and objectives of the City of Rockville as reflected in the City's Investment Policy, as amended September 2005. Our firm will ensure that all affected sales personnel will be routinely informed of the City's investment objectives, horizon, outlook, strategies, and risk constraints, as the City provides such information.

Our firm will notify the Director of Finance immediately, by telephone, and, in writing, in the event of a material adverse change in its financial condition, or of any violation of Municipal Securities Rulemaking Board Rule G-37.

Our firm pledges to exercise due diligence in informing the Director of Finance of all foreseeable risks associated with any financial transactions that our firm undertakes with the City. We attest to the accuracy of our firm's response to the City's Request For Information.

Completion of this Request For Information is only part of the City of Rockville's review process, and DOES NOT guarantee that the candidate will be authorized to provide financial services to the City.

This section must be signed by the sales representative who is listed in Question 2.

Firm: _____

Name: _____

Signed: _____

Title: _____

Date: _____

This section must be countersigned by the Managing Director or by the most senior person in charge of the government securities operations section.

Firm: _____

Name: _____

Signed: _____

Title: _____

Date: _____

EXHIBIT 8
ANNUAL
CERTIFICATION

CITY OF ROCKVILLE, MARYLAND
AUTHORIZED BROKER/DEALER ANNUAL CERTIFICATION FORM

NAME OF FIRM: _____

PRIMARY CONTACT: _____

Please answer the following questions:

1. Does your firm have a net capital position in excess of \$10 million? *(check one)*
☐ Yes ☐ No
3. Has your firm been in existence for more than five years? *(check one)*
☐ Yes ☐ No
4. Is your firm qualified under SEC Commission Rule 15C3-1 (Uniform Net Capital Rule)? *(check one)*
☐ Yes ☐ No
5. Is your firm headquartered or does it have a branch office in Maryland? *(check one)*
☐ Yes ☐ No
6. Does your firm carry adequate insurance coverage including liability, errors and omissions and workers' compensation? *(check one)*
☐ Yes ☐ No
7. Is your firm a member of the National Association of Securities Dealers? *(Check one)*
☐ Yes ☐ No
8. Has your firm been subject to any litigation, arbitration, or regulatory proceedings, either pending, adjudicated, or settled, within the last year, that involved allegations of improper, fraudulent, disreputable or unfair activities related to the sale of securities to or the purchase of securities from institutional clients? *(Check one)*
☐ Yes ☐ No If "yes", please describe each matter briefly.

9. Has your firm been subject to a regulatory, state, or federal agency investigation, within the last year, for alleged improper, fraudulent, disreputable, or unfair activities related to the purchase or sale of securities? *(Check one)*
☐ Yes ☐ No If "yes", please describe each matter briefly.

10. Has your firm submitted its annual financial statements for the City's review? *(Check one)*
☐ Yes ☐ No If "no", please include most recent statements with this response.

CERTIFICATION

We hereby certify that we have read and that we understand the investment policies and objectives of the City of Rockville as reflected in the City's Investment Policy, as amended May 2006. Our firm will ensure that all affected sales personnel will be routinely informed of the City's investment objectives, horizon, outlook, strategies, and risk constraints, as the City provides such information.

Our firm will notify the Director of Finance immediately, by telephone, and, in writing, in the event of a material adverse change in its financial condition, or of any violation of Municipal Securities Rulemaking Board Rule G-37.

Our firm pledges to exercise due diligence in informing the Director of Finance of all foreseeable risks associated with any financial transactions that our firm undertakes with the City. We attest to the accuracy of our firm's response to the City's Annual Broker/Dealer Certification Form.

This section must be signed by the sales representative who is assigned to the City.

Name: _____

Signed: _____

Title: _____

Date: _____

This section must be countersigned by the Managing Director or by the most senior person in charge of the government securities operations section.

Name: _____

Signed: _____

Title: _____

Date: _____